

**ANNUAL FINANCIAL REPORT**  
**CITY OF NEWKIRK, OKLAHOMA**  
**INCLUDING THE NEWKIRK**  
**MUNICIPAL AUTHORITY**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**CITY OF NEWKIRK  
INCLUDING THE NEWKIRK MUNICIPAL AUTHORITY  
ANNUAL FINANCIAL REPORT  
KAY COUNTY  
FOR THE YEAR ENDED JUNE 30, 2021**

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**Putnam & Company, PLLC**  
**Certified Public Accountants**  
**169 E. 32<sup>nd</sup> Street**  
**Edmond, OK 73013**  
**Telephone (405) 348-3800**

**INDEPENDENT AUDITOR'S REPORT**

City Council  
City of Newkirk  
Newkirk, Oklahoma

**Report on the Financial Statements**

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Newkirk, Oklahoma (the City), as of and for the year ended June 30, 2021, which collectively comprise the City's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1. This includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the presentation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Basis for Qualified Opinion**

As discussed in Note 1, to the financial statements, the City has not maintained complete capital asset records to support the historical cost of past capital asset purchases. Accounting principles generally accepted in the United States of America require that capital assets be recorded at historical cost net of accumulated depreciation. Documentation supporting historical cost was not readily available for our review. Also, the City has elected to not report depreciation on these capital assets. The amount by which this departure would affect assets, net position, and expenses of the Governmental and Business-Type Activities is not readily determinable.

### **Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position-modified cash basis of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Newkirk, Oklahoma, as of June 30, 2021, and the respective changes in modified cash basis financial position and where applicable, cash flows thereof for the year then ended in conformity with the basis of accounting described in Note 1.

### **Basis of Accounting**

We draw attention to Note 1 of the financial statements that describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

### **Other Matters**

#### **Supplementary and Other Information**

Our audit was conducted for the purpose of forming opinions on the City's basic financial statements. The supplemental and other information listed in the table of contents is presented for additional analysis and are not a required part of the basic financial statements.

The supplemental and other information listed in the table of contents is the responsibility of management and was derived from the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, that supplemental and other information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Putnam & Company*

Putnam & Company, PLLC  
November 14, 2022

**Putnam & Company, PLLC**  
**Certified Public Accountants**  
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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS**

City Council  
City of Newkirk  
Newkirk, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Newkirk, Oklahoma (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 14, 2022. The report on the City was a special report on the City's use of a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, and it was qualified due to incomplete capital asset information.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

### **Purpose of this Report**

The purpose of this report is intended solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Putnam & Company*

Putnam & Company, PLLC  
November 14, 2022

## **BASIC FINANCIAL STATEMENTS**

**CITY OF NEWKIRK, OKLAHOMA  
INCLUDING THE NEWKIRK MUNICIPAL AUTHORITY  
STATEMENT OF NET POSITION--MODIFIED CASH BASIS  
AS OF JUNE 30, 2021**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Totals</b>
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	\$1,842,594	2,514	1,845,108
<b>NON-CURRENT ASSETS</b>			
Property and Equipment		3,078,928	3,078,928
<b>TOTAL ASSETS</b>	<u>\$1,842,594</u>	<u>3,081,442</u>	<u>4,924,036</u>
<b>CURRENT LIABILITIES</b>			
Warrants Outstanding	\$199,317		199,317
Long-Term Debt--Current Portion	260,000		260,000
<b>Total Current Liabilities</b>	<u>459,317</u>	<u>0</u>	<u>459,317</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-Term Debt--Non-Current Portion	1,805,000		1,805,000
<b>TOTAL LIABILITIES</b>	<u>2,264,317</u>	<u>0</u>	<u>2,264,317</u>
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt		3,078,928	3,078,928
Restricted for Debt Service	(1,959,138)		(1,959,138)
Restricted for Capital Projects	186,241		186,241
Unrestricted	1,351,174	2,514	1,353,688
<b>TOTAL NET POSITION</b>	<u>(421,723)</u>	<u>3,081,442</u>	<u>2,659,719</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$1,842,594</u>	<u>3,081,442</u>	<u>4,924,036</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF NEWKIRK, OKLAHOMA  
INCLUDING THE NEWKIRK MUNICIPAL AUTHORITY  
STATEMENT OF ACTIVITIES--MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2021**

FUNCTIONS/PROGRAMS:	Expenses	<u>Program Revenue</u>		Net (Expense) Revenue
		Charges For Services	Operating Grants	
Governmental Activities City of Newkirk	\$5,652,866	221,237		(5,431,629)
Business-Type Activities Newkirk Municipal Authority		3,487,454		3,487,454
Total Primary Government	\$5,652,866	3,708,691	0	(1,944,175)

CHANGES IN NET ASSETS:	<u>Primary Government</u>		
	Governmental Activities	Business Type Activities	Total
Net (Expense) Revenue	(\$5,431,629)	3,487,454	(1,944,175)
General Revenue			
Sales Taxes	151,526	303,052	454,578
Other Taxes	72,006	74,551	146,557
Interest	8,890	1,166	10,056
Other Income			0
Total General Revenue	(5,199,207)	3,866,223	(1,332,984)
Transfers--In (Out)	5,143,891	(3,866,222)	1,277,669
Other Financing Sources (Uses)			0
Change in Net Position	(55,316)	1	(55,315)
Net Position--Beginning	(366,407)	3,081,441	2,715,034
Net Position--Ending	(\$421,723)	3,081,442	2,659,719

The notes to the financial statements are an integral part of this statement.

**THE CITY OF NEWKIRK, OKLAHOMA  
INCLUDING THE NEWKIRK MUNICIPAL AUTHORITY  
COMBINED BALANCE SHEET  
ALL FUND TYPES--MODIFIED CASH BASIS  
AS OF JUNE 30, 2021**

	CITY OF NEWKIRK				NEWKIRK MUNICIPAL AUTHORITY				TOTALS
	GOVERNMENTAL FUND TYPES		FIDUCIARY FUND TYPE		ENTERPRISE FUND TYPE	GOVERNMENTAL FUND TYPES		FIDUCIARY FUND TYPE	(Memorandum Only)
	General	Special Revenue	Capital Projects	Trust and Agency	Revenue	Special Revenue	Capital Projects	Debt Service	Trust and Agency
									2021
<b>ASSETS</b>									
Cash, including time deposits	\$438,677	100,215	14,410	149,780	2,514	1,011,599	171,831	105,862	161,858
Property, Plant and Equipment					3,078,928				
Total Assets	<u>438,677</u>	<u>100,215</u>	<u>14,410</u>	<u>149,780</u>	<u>3,081,442</u>	<u>1,011,599</u>	<u>171,831</u>	<u>105,862</u>	<u>161,858</u>
<b>LIABILITIES</b>									
Warrants Outstanding	\$192,695	6,622							
Notes Payable								2,065,000	
Refundable Meter Deposits									161,858
Total Liabilities	<u>192,695</u>	<u>6,622</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,065,000</u>	<u>161,858</u>
<b>FUND EQUITY</b>									
Reserved for Encumbrances									0
Reserved for Debt Service								(1,959,138)	(1,959,138)
Reserved for Capital Projects			14,410				171,831		186,241
Reserved for Cemetery Care				149,780					149,780
Fund Balance - Unreserved	245,982	93,593				1,011,599			1,351,174
Retained Earnings - Unreserved					3,081,442				3,081,442
Total Fund Equity	<u>245,982</u>	<u>93,593</u>	<u>14,410</u>	<u>149,780</u>	<u>3,081,442</u>	<u>1,011,599</u>	<u>171,831</u>	<u>(1,959,138)</u>	<u>0</u>
Total Liabilities and Fund Equity	<u>\$438,677</u>	<u>100,215</u>	<u>14,410</u>	<u>149,780</u>	<u>3,081,442</u>	<u>1,011,599</u>	<u>171,831</u>	<u>105,862</u>	<u>161,858</u>

See accompanying letter and notes to financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS**

THE CITY OF NEWKIRK, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of the City of Newkirk, Oklahoma relating to the funds included in the financial statements conform to generally accepted accounting principles of state and local governments, except as noted below. The following represents the more significant accounting and reporting policies and practices of the City:

**(a) Reporting Entity**

The City of Newkirk, for financial reporting purposes, includes funds and account groups over which the governing board exercises oversight authority.

**INCLUDED ENTITY – (Blended Component Unit)**

The Newkirk Municipal Authority is a public trust created under authority of and pursuant to the provisions of 60 O.S. Sections 177-180.3, for the use and benefit of the City of Newkirk, Oklahoma. The Authority leases the existing water, sewer, trash, and electrical facilities from the City and receives revenues from their use. The Authority also reimburses the City for expenditures made from its general fund appropriations for utilities and sanitation.

The accompanying financial statements present both the government itself, as legally defined, and a component unit, which is a legally separate entity for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government.

**(b) Fund Accounting**

The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, transfers, and expenditures/expenses. Government resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the financial statements in this report, as follows:

**Governmental Fund Types**

**General Fund** - The General Fund is the principal fund of the City which accounts for all financial transactions not properly accounted for in other funds. This fund accounts for the general operating transactions of the City including police and fire protection, street repairs and maintenance, planning and development, and administration

THE CITY OF NEWKIRK, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
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Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes

Capital Projects Fund - The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt and related costs.

Proprietary Fund Types

Enterprise Funds - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. This fund includes the Newkirk Municipal Authority.

Fiduciary Funds

Fiduciary funds are trust or agency funds used to account for assets held by the City in a trustee capacity or as an agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

(c) Government-wide financial statements

The government-wide financial statements ( the statement of net position and the statement of activities) report information on activities of the primary government and its component unit. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, and other non-exchange transactions are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

The government-wide financial statements are reported on a modified cash basis of accounting. The modified cash basis of accounting is based on the recording of cash and cash equivalents and changes therein, and only recognizes revenues, expenses, assets, and liabilities resulting from cash transactions, adjusted for modifications that have substantial support in generally accepted accounting principles.

THE CITY OF NEWKIRK, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

(c) Government-wide financial statements (continued)

Generally, only cash (and cash equivalents) and items that involve the receipt or disbursement of cash (or cash equivalents) during the period are recognized.

As a result of the use of this modified cash basis of accounting, certain transactions are not recorded in the financial statements. For example, accounts receivable and revenue for billed or provided services that have not been collected in cash are not accrued as revenue or receivables. Additionally, capital assets such as property, equipment, and infrastructure, and long-term liabilities such as debt and compensated absences may also not be reported.

(d) Basis of presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise fund. Separate financial statements are provided for governmental funds and proprietary funds.

The government-wide financial statements are presented on the modified cash basis of accounting. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are any payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the inter-fund services provided and other charges between the government's public works function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

(e) Basis of presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds and blended component unit. Separate statements for each fund category, governmental and proprietary, are presented. The emphasis of fund financial statements is on major funds, each displayed in a separate column. All remaining funds are aggregated and reported as non-major funds. The fund financial statements are presented on the modified cash basis of accounting.

THE CITY OF NEWKIRK, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

(f) Total (Memorandum Only)

The combined financial statements have "Total (Memorandum Only)" columns. These columns do not purport to present the consolidated financial position of the City of Newkirk, Oklahoma. All significant inter-fund transactions would be eliminated and other adjustments would be made in the preparation of consolidated financial statements.

(g) Budget

The City's budget represents appropriations originally authorized and any subsequent revisions that were officially adopted during the fiscal year. The City's budget is also prepared under the modified cash basis of accounting. In accordance with Oklahoma law, all remaining unexpended appropriations lapse at year end.

(h) Compensated Absences

The City records vacation and sick leave expenditures only at the time such leave is actually paid.

**(2) DEPOSITS, INVESTMENTS, AND COLLATERAL**

***Custodial Credit Risk*** - The City's policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at least at a level of 100 percent of the uninsured deposits and accrued interest thereon. The investment policy and state law also limits acceptable collateral to U.S. Treasury and agency securities and direct debt obligations of the state, municipalities, counties, and school districts in the state of Oklahoma, surety bonds, and letters of credit. As required by Federal 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the City must have a written collateral agreement.

At June 30, 2021, the City was not exposed to custodial credit risk as defined above.

***Investment Credit Risk*** – The City investment policy limits investments to those allowed in state law applicable to municipalities as follows:

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.

THE CITY OF NEWKIRK, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

**(2) DEPOSITS, INVESTMENTS, AND COLLATERAL – (continued)**

***Investment Credit Risk (continued)*** - Investment credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City has no formal policy limiting investments based on credit rating, but discloses any such credit risk associated with their investments. Unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

***Investment Interest Rate Risk*** – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy limits investments to those with short-term maturities, as a means of managing exposure to fair value losses arising from increasing interest rates. The City discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments.

***Concentration of Investment Credit Risk*** – Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the City (any over 5 percent are disclosed). Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this consideration. The City's investment policy requires diversification of investments.

At June 30, 2021, the City had no concentration of credit risk as defined above.

**(3) LONG-TERM DEBT**

The City of Newkirk and its component unit have Long-Term Debt as follows:

**Utility System and Sales Tax Revenue Note—Series 2015**

During calendar year 2017, the Newkirk Municipal Authority issued a \$3,015,000 utility system note. The note provides for an interest rate of 2.710% through September 1, 2030. Annual principal maturities began at \$65,000 and increase in established increments over the life of the note.

The following is a summary of the Authority's transactions with respect to this note for the year ended June 30, 2021:

Notes Payable, June 30, 2020	\$ 1,910,000
Additions	
Retirements	<u>160,000</u>
Notes Payable, June 30, 2021	<u>\$ 1,750,000</u>

THE CITY OF NEWKIRK, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

**Utility System and Sales Tax Revenue Note—Series 2020**

During calendar year 2020, the Newkirk Municipal Authority issued a \$422,000 utility system note. The note provides for an interest rate of 2.590% through September 1, 2024. Annual principal maturities began at \$7,000 and increase in established increments over the life of the note.

The following is a summary of the Authority's transactions with respect to this note for the year ended June 30, 2021:

Notes Payable, June 30, 2020	\$ 415,000
Additions	
Retirements	<u>100,000</u>
Notes Payable, June 30, 2021	<u>\$ 315,000</u>

**(4) DEDICATED SALES TAX**

**1% Sales Tax**

The Board of Commissioners of the city passed a resolution dated October 1, 1983, which appropriated the proceeds of a 1% City sales tax (approved by election on June 14, 1983), to the Authority to be used for the retirement of principal and the payment of interest and agent fees in connection with the 1984 Series Newkirk Municipal Authority Revenue Bonds. A subsequent election authorized the continued collection of this 1% sales tax.

**2% Sales Tax**

The Board of Commissioners of the city passed a resolution dated April 9, 1979, which appropriated the proceeds of a 2% City sales tax received after June 30, 1979, to the Authority. Proceeds from this tax are to be used for payment of capital costs, debt service and operational expenses and for accumulation of reserves.

**(5) PENSION AND RETIREMENT PLANS**

All police personnel participate in the Statewide Oklahoma State Police Pension and Retirement System.

All firefighters participate in the Statewide Oklahoma Firefighter's Pension and Retirement System.

Other City employees other than Police and Firefighters participate in the Oklahoma Municipal Retirement System.

Historical trend information is presented in annual reports for these retirement systems. This information is useful in assessing a pension plan's accumulation of sufficient assets to pay pension benefits as they become due.

THE CITY OF NEWKIRK, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

**(6)RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters. Accordingly, the City purchases commercial insurance to reduce its risk of loss. Also, all personnel responsible for custody of cash were bonded during the fiscal year.

Management estimates that the amount of actual or potential claims against the city as of June 30, 2021, will not materially affect the financial condition of the City. Therefore, none of the City's funds contains any provisions for any type of loss.

**(7)COMMITMENTS AND CONTINGENT LIABILITIES**

The financial statements do not include any provision for loss contingencies resulting from litigation. Under applicable Oklahoma statutes, cities generally establish a sinking fund to satisfy legal judgments rendered against them. Tax revenues are then specifically assessed for payment of these claims which have been reduced to judgment. Such claims are generally paid through these special tax assessments over a three (3) year period.

**(8)SUBSEQUENT EVENTS**

Subsequent events have been evaluated through November 14, 2022, which is the date the financial statements were available.

**COMBINING FINANCIAL STATEMENTS  
AND SUPPORTING SCHEDULES**

**THE CITY OF NEWKIRK, OKLAHOMA**  
**SCHEDULE OF REVENUES BY SOURCE--GENERAL FUND**  
**BUDGET AND ACTUAL-MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE - FAVORABLE/ (UNFAVORABLE)
<b>TAXES:</b>			
Franchise Tax	\$13,827	14,291	464
<b>LICENSES AND PERMITS:</b>			
Dog Tax	760	550	(210)
General Permits	4,050	3,848	(202)
Total Licenses and Permits	4,810	4,398	(412)
<b>INTERGOVERNMENTAL:</b>			
Alcoholic Beverage Tax	16,289	18,318	2,029
Tobacco Tax	3,877	4,259	382
Total Intergovernmental	20,166	22,577	2,411
<b>CHARGES FOR SERVICE:</b>			
Library	1,201	1,477	276
Swimming Pool	1,900	1,821	(79)
Cemetery	19,625	20,850	1,225
Ambulance	196,945	187,904	(9,041)
Limb and Brush Pickup	50	0	(50)
Fire Runs	2,700	7,040	4,340
Country Club	3,000	2,145	(855)
Total Charges for Service	225,421	221,237	(4,184)
<b>FINES AND FORFEITURES:</b>	34,825	39,353	4,528
<b>INTEREST:</b>	6,822	1,084	(5,738)
<b>MISCELLANEOUS:</b>			
Rents	15,889	13,973	(1,916)
Weed Tax	2,600	8,244	5,644
Other	34,000	60,622	26,622
Total Miscellaneous	52,489	82,839	30,350
<b>TOTALS</b>	<b>\$358,360</b>	<b>385,779</b>	<b>27,419</b>

See accompanying letter and notes to financial statements.

**THE CITY OF NEWKIRK, OKLAHOMA  
SCHEDULE OF EXPENDITURES BY CLASSIFICATION  
BUDGET AND ACTUAL - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2021**

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE - FAVORABLE/ (UNFAVORABLE)
<b>POLICE:</b>			
Personal Services	\$320,685	320,685	0
Maintenance and Operation	15,435	12,558	2,877
Total Police	336,120	333,243	2,877
<b>FIRE:</b>			
Personal Services	278,190	278,090	100
Maintenance and Operation	19,831	19,831	0
Capital Outlay	0	0	0
Total Fire	298,021	297,921	100
<b>STREETS:</b>			
Personal Services	47,983	47,983	0
Maintenance and Operation	13,521	13,521	0
Capital Outlay	1,938	1,497	441
Total Streets	63,442	63,001	441
<b>WATER:</b>			
Personal Services	117,689	112,087	5,602
Maintenance and Operation	93,079	93,079	0
Capital Outlay	454	454	0
Total Water	211,222	205,620	5,602
<b>SANITATION:</b>			
Maintenance and Operation	174,974	174,974	0
Capital Outlay			0
Total Sanitation	174,974	174,974	0
<b>SEWER:</b>			
Personal Services	84,218	82,718	1,500
Maintenance and Operation	32,813	32,813	0
Total Sewer	117,031	115,531	1,500
<b>CITY TREASURER:</b>			
Personal Services	30,962	29,667	1,295
Maintenance and Operation	100	100	0
Capital Outlay			0
Total City Treasurer	31,062	29,767	1,295

**THE CITY OF NEWKIRK, OKLAHOMA  
SCHEDULE OF EXPENDITURES BY CLASSIFICATION  
BUDGET AND ACTUAL - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2021**

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE - FAVORABLE/ (UNFAVORABLE)
<b>PARKS:</b>			
Personal Services	61,755	61,755	0
Maintenance and Operation	9,921	9,921	0
Total Parks	71,676	71,676	0
<b>LIBRARY:</b>			
Personal Services	54,738	54,686	52
Maintenance and Operation	9,300	9,300	0
Capital Outlay	2,140	2,035	105
Total Library	66,178	66,021	157
<b>AMBULANCE:</b>			
Personal Services	188,992	188,925	67
Maintenance and Operation	24,820	24,820	0
Capital Outlay	20,533	19,453	1,080
Total Ambulance	234,345	233,198	1,147
<b>CEMETERY:</b>			
Personal Services	40,630	39,056	1,574
Maintenance and Operation	4,654	4,654	0
Capital Outlay	1,796	886	910
Total Cemetery	47,080	44,596	2,484
<b>GENERAL GOVERNMENT:</b>			
Maintenance and Operation	228,333	228,259	74
Total General Government	228,333	228,259	74
<b>MANAGERIAL:</b>			
Maintenance and Operation	3,600	3,600	0
<b>CITY ATTORNEY:</b>			
Personal Services	10,410	10,404	6

**THE CITY OF NEWKIRK, OKLAHOMA**  
**SCHEDULE OF EXPENDITURES BY CLASSIFICATION**  
**BUDGET AND ACTUAL - MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE - FAVORABLE/ (UNFAVORABLE)
SWIMMING POOL:			
Personal Services	16,471	13,944	2,527
Maintenance and Operation	7,974	7,974	0
Capital Outlay	198	198	0
Total Swimming Pool	24,643	22,116	2,527
ELECTRIC:			
Personal Services	190,213	181,160	9,053
Maintenance and Operation	1,548,141	1,548,141	0
Capital Outlay	115,814	115,814	0
Total Electric	1,854,168	1,845,115	9,053
MUNICIPAL COURT:			
Personal Services	48,514	47,613	901
Maintenance and Operation	8,459	8,459	0
Total Municipal Court	56,973	56,072	901
CITY CLERK:			
Personal Services	210,078	210,078	0
Maintenance and Operation	1,900	1,004	896
Capital Outlay	7,478	389	7,089
Total City Clerk	219,456	211,471	7,985
SERVICE CENTER:			
Maintenance and Operation	35,179	35,179	0
Capital Outlay	1,048	0	1,048
Total City Clerk	36,227	35,179	1,048
CITY SENIOR DIRECTOR			
Personal Services	18,333	18,324	9
Maintenance and Operation	14,252	14,252	0
Capital Outlay			0
Total City Senior Director	32,585	32,576	9
TOTALS	\$4,117,546	4,080,340	36,158

See accompanying letter and notes to financial statements.

**THE CITY OF NEWKIRK, OKLAHOMA  
COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS-MODIFIED CASH BASIS  
AS OF JUNE 30, 2021**

	INSURANCE FUND	STREET & ALLEY FUND	COURT TECH FEE FUND	LIBRARY CASH FUND	PARK & RECREATION FUND	SENIOR CITIZENS FUND	TOTALS (Memorandum Only)	
							2021	2020
<b><u>ASSETS</u></b>								
Cash, including time deposits	\$1,502	52,850	4,223	18,687	15,698	7,255	100,215	61,927
Total Assets	<u>\$1,502</u>	<u>52,850</u>	<u>4,223</u>	<u>18,687</u>	<u>15,698</u>	<u>7,255</u>	<u>100,215</u>	<u>61,927</u>
<b><u>LIABILITIES</u></b>								
Warrants Outstanding	\$0			3,298		3,324	6,622	3,022
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,298</u>	<u>0</u>	<u>3,324</u>	<u>6,622</u>	<u>3,022</u>
<b><u>FUND EQUITY</u></b>								
Fund Balance:								
Reserved for Encumbrances							0	2,476
Unreserved	1,502	52,850	4,223	15,389	15,698	3,931	93,593	56,429
Total Fund Equity	<u>1,502</u>	<u>52,850</u>	<u>4,223</u>	<u>15,389</u>	<u>15,698</u>	<u>3,931</u>	<u>93,593</u>	<u>58,905</u>
Total Liabilities and Fund Equity	<u>\$1,502</u>	<u>52,850</u>	<u>4,223</u>	<u>18,687</u>	<u>15,698</u>	<u>7,255</u>	<u>100,215</u>	<u>61,927</u>

See accompanying letter and notes to financial statements.

**THE CITY OF NEWKIRK, OKLAHOMA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**SPECIAL REVENUE FUNDS-MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	INSURANCE FUND	STREET & ALLEY FUND	COURT TECH FEE FUND	LIBRARY CASH FUND	PARK & RECREATION FUND	SENIOR CITIZENS FUND	TOTALS (Memorandum Only)	
							2021	2020
REVENUES:								
Intergovernmental	\$0	20,795					20,795	35,206
Interest		12					12	5
Miscellaneous	61,866		3,990	23,608	15,040	25,781	130,285	133,578
Total Revenues	61,866	20,807	3,990	23,608	15,040	25,781	151,092	168,789
EXPENDITURES:								
Capital Outlay	63,195	110	1,897	14,490	10,831	23,405	113,928	191,655
Total Expenditures	63,195	110	1,897	14,490	10,831	23,405	113,928	191,655
Revenues Over/(Under) Expenditures	(1,329)	20,697	2,093	9,118	4,209	2,376	37,164	(22,866)
Other Financing Sources (Uses):								
Fund Transfers			0		0		0	0
Total Other Financing Sources (Uses):	0	0	0	0	0	0	0	0
Fund Balance, Beginning of Year	2,831	32,153	2,130	6,271	11,489	1,555	56,429	79,295
Fund Balance, End of Year	<u>\$1,502</u>	<u>52,850</u>	<u>4,223</u>	<u>15,389</u>	<u>15,698</u>	<u>3,931</u>	<u>93,593</u>	<u>56,429</u>

See accompanying letter and notes to financial statements.

**THE CITY OF NEWKIRK, OKLAHOMA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUNDS-MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	INSURANCE FUND			COURT TECH FEE			STREET & ALLEY FUND		
	Budget	Actual	Variance- Favorable/ (Unfavorable)	Budget	Actual	Variance- Favorable/ (Unfavorable)	Budget	Actual	Variance- Favorable/ (Unfavorable)
REVENUES:									
Intergovernmental	\$0		0			0	20,807	20,795	(12)
Interest			0			0		12	12
Miscellaneous	61,866	61,866	0	3,990	3,990	0		0	0
Total Revenues	61,866	61,866	0	3,990	3,990	0	20,807	20,807	0
EXPENDITURES:									
Capital Outlay	63,195	63,195	0	1,897	1,897	0	110	110	0
Total Expenditures	63,195	63,195	0	1,897	1,897	0	110	110	0
Revenues Over/(Under) Expenditures	(1,329)	(1,329)	0	2,093	2,093	0	20,697	20,697	0
Other Financing Sources (Uses):									0
Fund Balance, Beginning of Year	2,831	2,831	0	2,130	2,130	0	32,153	32,153	0
Fund Balance, End of Year	\$1,502	1,502	0	4,223	4,223	0	52,850	52,850	0

**THE CITY OF NEWKIRK, OKLAHOMA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUNDS-MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	LIBRARY CASH FUND			PARK & RECREATION FUND			SENIOR CITIZENS FUND			TOTALS (Memorandum Only)		
	Budget	Actual	Variance- Favorable/ (Unfavorable)	Budget	Actual	Variance- Favorable/ (Unfavorable)	Budget	Actual	Variance- Favorable/ (Unfavorable)	Budget	Actual	Variance- Favorable/ (Unfavorable)
<b>REVENUES:</b>												
Intergovernmental			0			0			0	20,807	20,795	(12)
Interest			0			0			0	0	12	12
Miscellaneous	23,608	23,608	0	15,040	15,040	0	25,781	25,781	0	130,285	130,285	0
Total Revenues	23,608	23,608	0	15,040	15,040	0	25,781	25,781	0	151,092	151,092	0
<b>EXPENDITURES:</b>												
Capital Outlay	14,490	14,490	0	10,831	10,831	0	23,405	23,405	4,878	113,928	113,928	0
Total Expenditures	14,490	14,490	0	10,831	10,831	0	23,405	23,405	4,878	113,928	113,928	0
Revenues Over/(Under) Expenditures	9,118	9,118	0	4,209	4,209	0	2,376	2,376	0	37,164	37,164	0
Other Financing Sources (Uses):	0	0	0	0	0	0	0	0	0	0	0	0
Fund Balance, Beginning of Year	6,271	6,271	0	11,489	11,489	0	1,555	1,555	0	56,429	56,429	0
Fund Balance, End of Year	<u>\$15,389</u>	<u>15,389</u>	<u>0</u>	<u>15,698</u>	<u>15,698</u>	<u>0</u>	<u>3,931</u>	<u>3,931</u>	<u>0</u>	<u>93,593</u>	<u>93,593</u>	<u>0</u>

See accompanying letter and notes to financial statements.

**THE CITY OF NEWKIRK, OKLAHOMA  
COMBINING BALANCE SHEET  
CAPITAL PROJECTS FUNDS-MODIFIED CASH BASIS  
AS OF JUNE 30, 2021**

	PUBLIC SAFETY CENTER BUILDING FUND	RURAL FIRE FUND	ELECTRIC EXTENSION FUND	TOTALS (Memorandum Only)	
				2021	2020
<b><u>ASSETS</u></b>					
Cash, including time deposits	\$8,762	1,522	4,126	14,410	973
Total Assets	<u>\$8,762</u>	<u>1,522</u>	<u>4,126</u>	<u>14,410</u>	<u>973</u>
<b><u>LIABILITIES</u></b>					
Warrants Outstanding	\$0	0	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b><u>FUND EQUITY</u></b>					
Fund Balance:					
Unreserved	8,762	1,522	4,126	14,410	973
Total Fund Equity	<u>8,762</u>	<u>1,522</u>	<u>4,126</u>	<u>14,410</u>	<u>973</u>
Total Liabilities and Fund Equity	<u>\$8,762</u>	<u>1,522</u>	<u>4,126</u>	<u>14,410</u>	<u>973</u>

See accompanying letter and notes to financial statements.

**THE CITY OF NEWKIRK, OKLAHOMA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**CAPITAL PROJECTS FUNDS--MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	PUBLIC SAFETY CENTER BUILDING FUND	RURAL FIRE FUND	ELECTRIC EXTENSION FUND	TOTALS (Memorandum Only)	
				2021	2020
REVENUES:					
Miscellaneous	\$200,042	41,695	30,285	272,022	5,285
Total Revenues	200,042	41,695	30,285	272,022	5,285
EXPENDITURES:					
Capital Outlay	191,280	40,280	27,025	258,585	25,935
Total Expenditures	191,280	40,280	27,025	258,585	25,935
Revenues Over/(Under) Expenditures	8,762	1,415	3,260	13,437	(20,650)
OTHER FINANCING SOURCES (USES):					
Deobligation of Prior Year Funds				0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Fund Balance, Beginning of Year	0	107	866	973	21,623
Fund Balance, End of Year	\$8,762	1,522	4,126	14,410	973

See accompanying letter and notes to financial statements.

**THE CITY OF NEWKIRK, OKLAHOMA  
COMBINING BALANCE SHEET  
TRUST AND AGENCY FUNDS - MODIFIED CASH BASIS  
AS OF JUNE 30, 2021**

		TOTALS (Memorandum Only)	
	CEMETERY FUND	2021	2020
<u>ASSETS</u>			
Cash, including time deposits	\$149,780	149,780	145,247
Total Assets	<u>\$149,780</u>	<u>149,780</u>	<u>145,247</u>
<u>LIABILITIES</u>			
Warrants Outstanding	\$0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
<u>FUND EQUITY</u>			
Fund Balance:			
Reserved for Cemetery Care	149,780	149,780	145,247
Unreserved	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Equity	<u>149,780</u>	<u>149,780</u>	<u>145,247</u>
Total Liabilities and Fund Equity	<u>\$149,780</u>	<u>149,780</u>	<u>145,247</u>

See accompanying letter and notes to financial statements.

**THE CITY OF NEWKIRK, OKLAHOMA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**TRUST AND AGENCY FUNDS - MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	CEMETERY FUND	TOTALS (Memorandum Only)	
		2021	2020
REVENUES:			
Interest	\$1,123	1,123	1,538
Cemetery Care Fees	3,410	3,410	3,635
Total Revenues	4,533	4,533	5,173
EXPENDITURES:			
Maintenance and Operation	0	0	0
Total Expenditures	0	0	0
Revenues Over/(Under) Expenditures	4,533	4,533	5,173
Fund Balance, Beginning of Year	145,247	145,247	140,074
Fund Balance, End of Year	<u>\$149,780</u>	<u>149,780</u>	<u>145,247</u>

See accompanying letter and notes to financial statements.

**THE NEWKIRK MUNICIPAL AUTHORITY  
COMBINING BALANCE SHEET  
PROPRIETARY FUND TYPE - MODIFIED CASH BASIS  
AS OF JUNE 30, 2021**

	<u>ENTERPRISE FUND</u>	
	<u>2021</u>	<u>2020</u>
<b><u>ASSETS</u></b>		
Current Assets:		
Cash, including time deposits	\$2,514	2,513
Fixed Assets:		
Plant, Property and Equipment	<u>3,078,928</u>	<u>3,078,928</u>
Total Assets	<u>\$3,081,442</u>	<u>3,081,441</u>
<b><u>LIABILITIES AND RETAINED EARNINGS</u></b>		
Liabilities	<u>\$0</u>	<u>0</u>
Retained Earnings	<u>3,081,442</u>	<u>3,081,441</u>
Total Liabilities and Retained Earnings	<u>\$3,081,442</u>	<u>3,081,441</u>

See accompanying letter and notes to financial statements.

**THE NEWKIRK MUNICIPAL AUTHORITY  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN RETAINED EARNINGS  
PROPRIETARY FUND TYPE - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>ENTERPRISE FUND</u>	
	<u>2021</u>	<u>2020</u>
<b>REVENUES:</b>		
Charges for Service:		
Water	\$584,984	560,532
Sewer	213,169	205,330
Trash	188,232	182,860
Electric	2,497,359	2,409,698
Licenses and Permits	3,710	52,633
Total Charges for Service	3,487,454	3,411,053
Franchise Tax	4,274	4,677
Interest	1,166	2,054
Use Tax	70,277	65,392
Sales Tax	303,052	281,957
Total Revenues	3,866,223	3,765,133
<b>EXPENDITURES:</b>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>
Revenues Over/(Under) Expenditures	3,866,223	3,765,133
<b>OTHER FINANCING SOURCES/(USES):</b>		
Transfers to Water Improvement Payment Fund	(295,240)	(324,565)
Transfers to / from Other Funds	13,259	
Transfers of Surplus to the City of Newkirk	(3,584,241)	(3,440,714)
Total Other Financing Sources/(Uses)	(3,866,222)	(3,765,279)
Revenues and Other Sources		
Over/(Under) Expenditures and Other Uses	1	(146)
Retained Earnings, Beginning of Year	3,081,441	3,081,587
Retained Earnings, End of Year	<u>\$3,081,442</u>	<u>3,081,441</u>

See accompanying letter and notes to financial statements.

**THE NEWKIRK MUNICIPAL AUTHORITY  
STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE  
MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2021**

Cash Flows from Operating Activities:

Net Income (Loss) from Operations	<u>\$3,866,223</u>
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Cash Flows from Capital and Related Financing Activities:

Operating Transfers	<u>(3,866,222)</u>
---------------------	--------------------

Net Increase (Decrease) in Cash and Cash Equivalents	1
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Cash and Cash Equivalents, June 30, 2020	<u>2,513</u>
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Cash and Cash Equivalents, June 30, 2021	<u><u>\$2,514</u></u>
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The notes to the financial statements are an integral part of this statement.

**THE NEWKIRK MUNICIPAL AUTHORITY  
COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS- MODIFIED CASH BASIS  
AS OF JUNE 30, 2021**

	1 CENT SALES TAX FUND	MUNICIPAL COURT FUND	WATER IMPROVEMENT PAYMENT FUND	PUBLIC SAFETY CENTER BUILDING FUND	TOTALS (Memorandum Only)	
					2021	2020
<b><u>ASSETS</u></b>						
Cash, including time deposits	\$696,508	5,134	301,195	8,762	1,011,599	729,144
Total Assets	<u>\$696,508</u>	<u>5,134</u>	<u>301,195</u>	<u>8,762</u>	<u>1,011,599</u>	<u>729,144</u>
<b><u>LIABILITIES</u></b>						
Warrants Outstanding	\$0	13		0	13	0
Total Liabilities	<u>0</u>	<u>13</u>	<u>0</u>	<u>0</u>	<u>13</u>	<u>0</u>
<b><u>FUND EQUITY</u></b>						
Fund Balance:						
Reserved for Incomplete Projects	696,508	5,121	301,195	8,762	1,011,586	729,144
Total Fund Equity	<u>696,508</u>	<u>5,121</u>	<u>301,195</u>	<u>8,762</u>	<u>1,011,586</u>	<u>729,144</u>
Total Liabilities and Fund Equity	<u>\$696,508</u>	<u>5,134</u>	<u>301,195</u>	<u>8,762</u>	<u>1,011,599</u>	<u>729,144</u>

See accompanying letter and notes to financial statements.

**THE NEWKIRK MUNICIPAL AUTHORITY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**SPECIAL REVENUE FUNDS - MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	1 CENT SALES TAX FUND	MUNICIPAL COURT FUND	WATER IMPROVEMENT PAYMENT FUND	PUBLIC SAFETY CENTER BUILDING FUND	TOTALS (Memorandum Only)  2021
REVENUES:					
Sales Tax	\$151,526				151,526
Use Tax	35,138				35,138
Court Fines		50,584			50,584
Interest	603		244	42	889
Miscellaneous			121,750	200,000	321,750
Total Revenues	187,267	50,584	121,994	200,042	559,887
EXPENDITURES:					
Capital Outlay		48,244	12,110	191,280	251,634
Fiscal Agent Fees			2,000		2,000
Total Expenditures	0	48,244	14,110	191,280	253,634
Revenues Over/(Under) Expenditures	187,267	2,340	107,884	8,762	306,253
OTHER FINANCING SOURCES/(USES):					
Transfers from the Municipal Authority			295,240		295,240
Transfer to Debt Service Funds--BOK			(319,051)		(319,051)
Other Sources (Uses)					0
Total Other Financing Sources/(Uses):	0	0	(23,811)	0	(23,811)
Fund Balance, Beginning of Year	509,241	2,781	217,122	0	729,144
Fund Balance, End of Year	\$696,508	5,121	301,195	8,762	1,011,586

See accompanying letter and notes to financial statements.

**THE NEWKIRK MUNICIPAL AUTHORITY  
COMBINING BALANCE SHEET  
CAPITAL PROJECTS FUND - MODIFIED CASH BASIS  
AS OF JUNE 30, 2021**

	<b>2020 PROJECT SALES TAX NOTE--BOK CONSTRUCTION ACCOUNT</b>	<b>2015 PROJECT SALES TAX NOTE--BOK CONSTRUCTION ACCOUNT</b>	<b>GRANT FUND</b>	<b>INDUSTRIAL AUTHORITY FUND</b>	<b>TOTALS (Memorandum Only)  2021</b>
<b><u>ASSETS</u></b>					
Cash, including time deposits	\$84,115	1	86,048	1,667	171,831
Total Assets	<u>\$84,115</u>	<u>1</u>	<u>86,048</u>	<u>1,667</u>	<u>171,831</u>
<b><u>LIABILITIES</u></b>					
Warrants Outstanding	\$0				0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b><u>FUND EQUITY</u></b>					
Fund Balance:					
Reserved for Encumbrances	0				0
Unreserved	84,115	1	86,048	1,667	171,831
Total Fund Equity	<u>84,115</u>	<u>1</u>	<u>86,048</u>	<u>1,667</u>	<u>171,831</u>
Total Liabilities and Fund Equity	<u>\$84,115</u>	<u>1</u>	<u>86,048</u>	<u>1,667</u>	<u>171,831</u>

See accompanying letter and notes to financial statements.

**THE NEWKIRK MUNICIPAL AUTHORITY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**CAPITAL PROJECTS FUND - MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	2020 PROJECT		2015 PROJECT			TOTALS (Memorandum Only)
	NOTE PROCEEDS FUND	SALES TAX NOTE--BOK CONSTRUCTION ACCOUNT	SALES TAX NOTE--BOK CONSTRUCTION ACCOUNT	GRANT FUND	INDUSTRIAL AUTHORITY FUND	2021
REVENUES:						
Dividends and Interest	\$0	19	18			37
Note Proceeds						0
Grants and Contracts				302,747		302,747
Total Revenues	0	19	18	302,747	0	302,784
EXPENDITURES:						
Capital Outlay		235,336	455,718			691,054
Grant Expenditures				194,547		194,547
Total Expenditures	0	235,336	455,718	194,547	0	885,601
Revenues Over/(Under) Expenditures	0	(235,317)	(455,700)	108,200	0	(582,817)
OTHER FINANCING SOURCES/(USES):						
Transfers Among Funds				(50,000)		(50,000)
Total Other Financing Sources/(Uses)	0	0	0	(50,000)	0	(50,000)
Fund Balance, Beginning of Year	0	319,432	455,701	27,848	1,667	804,648
Fund Balance, End of Year	\$0	84,115	1	86,048	1,667	171,831

See accompanying letter and notes to financial statements.

**THE NEWKIRK MUNICIPAL AUTHORITY**  
**COMBINING BALANCE SHEET**  
**DEBT SERVICE FUNDS - MODIFIED CASH BASIS**  
**AS OF JUNE 30, 2021**

	<b>2020 PROJECT</b>		<b>2015 PROJECT</b>		<b>TOTALS</b> <b>(Memorandum Only)</b>	
	<b>SALES TAX NOTE--BOK PRINCIPAL ACCOUNT</b>	<b>SALES TAX NOTE--BOK INTEREST ACCOUNT</b>	<b>SALES TAX NOTE--BOK PRINCIPAL ACCOUNT</b>	<b>SALES TAX NOTE--BOK INTEREST ACCOUNT</b>	<b>2021</b>	<b>2020</b>
<b><u>ASSETS</u></b>						
Cash, including time deposits	\$34,000	2,720	53,334	15,808	105,862	107,583
Total Assets	<u>34,000</u>	<u>2,720</u>	<u>53,334</u>	<u>15,808</u>	<u>105,862</u>	<u>107,583</u>
<b><u>LIABILITIES</u></b>						
Notes Payable	\$315,000		1,750,000		2,065,000	2,325,000
Total Liabilities	<u>315,000</u>	<u>0</u>	<u>1,750,000</u>	<u>0</u>	<u>2,065,000</u>	<u>2,325,000</u>
<b><u>FUND EQUITY</u></b>						
Fund Balance:						
Reserved for Debt Service	(281,000)	2,720	(1,696,666)	15,808	(1,959,138)	(2,217,417)
Total Fund Equity	<u>(281,000)</u>	<u>2,720</u>	<u>(1,696,666)</u>	<u>15,808</u>	<u>(1,959,138)</u>	<u>(2,217,417)</u>
Total Liabilities and Fund Equity	<u>\$34,000</u>	<u>2,720</u>	<u>53,334</u>	<u>15,808</u>	<u>105,862</u>	<u>107,583</u>

See accompanying letter and notes to financial statements.

**THE NEWKIRK MUNICIPAL AUTHORITY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**DEBT SERVICE FUNDS - MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<b>2020 PROJECT</b>		<b>2015 PROJECT</b>		<b>TOTALS</b> (Memorandum Only)
	<b>SALES TAX NOTE--BOK PRINCIPAL ACCOUNT</b>	<b>SALES TAX NOTE--BOK INTEREST ACCOUNT</b>	<b>SALES TAX NOTE--BOK PRINCIPAL ACCOUNT</b>	<b>SALES TAX NOTE--BOK INTEREST ACCOUNT</b>	
<b>REVENUES:</b>					
Dividends and Interest	<u>\$2</u>	<u>1</u>	<u>3</u>	<u>1</u>	<u>7</u>
Total Revenues	<u>2</u>	<u>1</u>	<u>3</u>	<u>1</u>	<u>7</u>
<b>EXPENDITURES:</b>					
Interest Expense	<u></u>	<u>10,101</u>	<u></u>	<u>50,677</u>	<u>60,778</u>
Total Expenditures	<u>0</u>	<u>10,101</u>	<u>0</u>	<u>50,677</u>	<u>60,778</u>
Revenues Over/(Under) Expenditures	<u>2</u>	<u>(10,100)</u>	<u>3</u>	<u>(50,676)</u>	<u>(60,771)</u>
<b>OTHER FINANCING SOURCES/(USES):</b>					
Transfers from Water Improvement Payment Fund	100,665	9,237	159,938	49,210	319,050
Other Transfers	<u>0</u>	<u></u>	<u></u>	<u></u>	<u>0</u>
Total Other Financing Sources/(Uses)	<u>100,665</u>	<u>9,237</u>	<u>159,938</u>	<u>49,210</u>	<u>319,050</u>
Revenues and Other Sources Over/(Under) Expenditures and Other Uses	100,667	(863)	159,941	(1,466)	258,279
Fund Balance, Beginning of Year	<u>(381,667)</u>	<u>3,583</u>	<u>(1,856,607)</u>	<u>17,274</u>	<u>(2,217,417)</u>
Fund Balance, End of Year	<u>(\$281,000)</u>	<u>2,720</u>	<u>(1,696,666)</u>	<u>15,808</u>	<u>(1,959,138)</u>

See accompanying letter and notes to financial statements.

**THE NEWKIRK MUNICIPAL AUTHORITY  
COMBINING BALANCE SHEET  
TRUST AND AGENCY FUND - MODIFIED CASH BASIS  
AS OF JUNE 30, 2021**

	<u>METER DEPOSIT FUND</u>	
	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
Cash, including time deposits	<u>\$161,858</u>	<u>155,343</u>
Total Assets	<u>161,858</u>	<u>155,343</u>
<u>LIABILITIES</u>		
Warrants Outstanding	\$125	0
Refundable Meter Deposits	<u>161,733</u>	<u>155,343</u>
Total Liabilities	<u>161,858</u>	<u>155,343</u>
<u>FUND EQUITY</u>		
Fund Balance: Unreserved		
Total Fund Equity	<u>0</u>	<u>0</u>
Total Liabilities and Fund Equity	<u>\$161,858</u>	<u>155,343</u>

See accompanying letter and notes to financial statements.

**NEWKIRK MUNICIPAL AUTHORITY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - MODIFIED CASH BASIS**  
**TRUST AND AGENCY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	METER DEPOSIT FUND	TOTALS (Memorandum Only)	
		2021	2020
REVENUES	\$0	0	0
Total Revenues	0	0	0
EXPENDITURES	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over/(Under) Expenditures	0	0	0
OTHER FINANCING SOURCES/(USES):			
Customer Deposits in Excess of Refunds	6,390	6,390	3,610
Increase in Refundable Deposits	(6,390)	(6,390)	(3,610)
Total Other Financing Sources/(Uses)	0	0	0
Excess of Revenues and Other Sources Over/ (Under) Expenditures and Other Uses	0	0	0
Fund Balance, Beginning of Year	0	0	0
Fund Balance, End of Year	\$0	0	0

See accompanying letter and notes to financial statements.

**THE CITY OF NEWKIRK, OKLAHOMA  
(INCLUDING THE NEWKIRK MUNICIPAL AUTHORITY)  
SCHEDULE OF STATE / FEDERAL FINANCIAL ASSISTANCE - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Program or Award Amount</u>	<u>Cash / Beginning Balance at July 1, 2020</u>	<u>State / Federal Receipts</u>	<u>State / Federal Expenditures</u>	<u>Cash / Ending Balance at June 30, 2021</u>
Contracting Entity: State of Oklahoma					
Contract: CARES Act					
Project: Coronavirus Relief Funds	\$186,690	0	186,690	129,460	57,230
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
 Total State & Federal Assistance	 <u>\$186,690</u>	 <u>0</u>	 <u>186,690</u>	 <u>129,460</u>	 <u>57,230</u>

See accompanying letter and notes to financial statements.

**MANAGEMENT LETTER AND SCHEDULE OF  
FINDINGS**

# PUTNAM & COMPANY, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

169.E. 32ND

EDMOND, OKLAHOMA 73013

(405) 348-3800

November 14, 2022

Honorable Governing Board  
City of Newkirk, Oklahoma

We have audited financial statements of the City of Newkirk, including the Newkirk Municipal Authority, as of and for the year ended June 30, 2021, as listed in the table of contents, and have issued our report thereon dated November 14, 2022. As a part of our audit, we made a study and evaluation of the City's system of internal accounting control to the extent we considered necessary solely to determine the nature, timing and extent of our auditing procedures. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole, and we do not express such an opinion.

However, during our audit we became aware of some matters that, while not involving material weaknesses in internal accounting control, are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated November 14, 2022, on the financial statements of the City of Newkirk.

We will review the status of these comments during our next audit engagement. We would be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters or to assist you in implementing the recommendations.

We also wish to express our appreciation of the courteous attention and cooperation which we received from staff members during our engagement.

Sincerely,

*Jerry W. Putnam*

Jerry W. Putnam, CPA

PUTNAM & COMPANY, PLLC

**CITY OF NEWKIRK  
KAY COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2021**

**PRIOR YEAR'S COMMENTS AND RECOMMENDATIONS**

Corrective action has been taken by the City with regard to the prior year's comments. (Those comments which have not been completely resolved are repeated below as applicable.)

**CURRENT YEAR'S COMMENTS AND RECOMMENDATIONS**

**Internal Control:**

Due to the size of the City's staff, it is impossible to prevent individuals from having complete control over a financial transaction.

**Supporting Documentation:**

We sampled supporting documentation for the City's purchase orders and payments. The documentation examined appeared to be complete and sufficient to support the payments. Also, the City's staff was able to provide information to resolve any questions that were developed by our testing.

**Audit Adjustments:**

We determined that some adjustments to the City's accounting records were necessary to correctly incorporate all transactions that were reported for the year by the City's fiscal agent, the Bank of Oklahoma.

**CITY'S RESPONSE TO AUDIT COMMENTS AND RECOMMENDATIONS**

The City has received the findings and recommendations and will review current procedures in order to implement any necessary changes.